

**PAROWAN CITY COUNCIL MEETING**

**February 26, 2015**

**Library Lounge, 16 South Main, 6:00 p.m.**

**MEMBERS PRESENT:** Mayor Donald G. Landes, Councilmen Alan Adams, Troy Houston, Ben Johnson, Steve Thayer, Steve Weston, City Attorney Justin Wayment, City Manager Shayne Scott, City Recorder Callie Bassett

**MEMBERS ABSENT:** None

**PUBLIC PRESENT:** Chuck and Dottie Stade, Lloyd Benson, Dennis Gaede, Eric Johnson (Bond Counsel), Larry Pendleton, Derek Anderson (Sunrise Engineering), Harold Mitchell, John C. Robertson, Tammy Hulet, Paden Prentice, Dillon West, Bob Whitelaw, Jeff Wood, Gail B. Harris, Alexis Smith, Neal Smith, Shelby Bartlett, Jim Shurtleff, Tyler Hoskins, JR Knowles, Jess Higbee, Paul Smith (Parowan Police)

**CALL TO ORDER:** Mayor Landes called the meeting to order at 6:00 p.m.

**OPENING CEREMONIES:** Councilman Adams offered the invocation. He then led the Council and the public in the pledge of allegiance.

Mayor Landes introduced Tanner Harrison, Parowan City Youth Council's Mayor. He is observing the City Council meeting this evening.

**DOES ANYBODY HAVE ANY CONFLICT OR PERSONAL INTEREST IN ANY MATTER ON THE AGENDA WHICH NEEDS TO BE DECLARED?** Councilman Adams and Councilman Johnson both declared a conflict with the Center Creek Bypass Change Order. Councilman Johnson also declared a conflict of interest with the Parowan City Gravel Pit Discussion. He is related to Mr. Evans. Councilman Thayer stated that he will have a conflict during the Closed Session portion of the meeting.

**PUBLIC HEARING**

**A PUBLIC HEARING TO RECEIVE INPUT FROM THE PUBLIC WITH RESPECT TO THE ISSUANCE OF THE LOCAL BUILDING AUTHORITY'S LEASE REVENUE BONDS, SERIES 2015 IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$1,100,000 BEARING INTEREST AT THE RATE NOT TO EXCEED 1.5% PER ANNUM, TO MATURE IN NOT MORE THAN 35 YEARS FOR THE PURPOSE OF (I) FINANCING IN PART THE ACQUISITION AND CONSTRUCTION OF A CITY ADMINISTRATIVE BUILDING/PUBLIC SAFETY FACILITY AND RELATED IMPROVEMENTS FOR THE BENEFIT OF PAROWAN CITY, UTAH; (II) PAYING EXPENSES TO BE INCURRED IN CONNECTION WITH THE ISSUANCE AND SALE OF THE BONDS AND RELATED MATTERS.**

Mr. Scott explained that this is the bond for the New City Office. He said the only thing he would like to clarify is that the Council passes what is called a parameters resolution which

authorizes up to a maximum amount, in the case \$1,100,000. The actual amount that the City will be borrowing is \$972,000.

The Mayor asked for comments from the public. Mr. Dennis Gaede asked how much the payment on this amount was going to be each year. Mr. Scott answered that it will be approximately \$39,000. Mr. Gaede asked if this is within the budget. Mr. Scott said yes it is in the budget. He said there will be decisions to be made around it, but it is not all in one fund, so it is able to be distributed among the various department of the City.

## **CONSENT AGENDA**

### **APPROVAL OF MINUTES (February 12, 2015 City Council Meeting) PURCHASE ORDERS/WARRANT REGISTER**

Councilman Houston pointed out a couple of items on the warrant register. He mentioned that the utility bill on the fair building was higher than usual and wants the City to check and make sure that is within reason. He also said there are two different companies that we rent water coolers from. He asked if the City could purchase those coolers so we don't have to continually pay a rental fee.

Mr. Scott explained two of the purchase orders. One is to rework some water at the little league fields. This has been targeted by the City and the Little League as a top priority. Last year the Council allocated money to do this, so this project is budgeted for.

The second purchase order is \$6,000 for the pool. This was not budgeted for. Mrs. Alice Heidenreich brought this to Mr. Scott's attention during budget hearings and they talked about putting it in next year's budget. Mrs. Heidenreich made a convincing case that it is important to do this year before the pool opens. She actually has two significant things that need to be paid for, and we are trying to break those up and do one next year. She plans to have the cracks in the sidewalks sealed. This PO is for a new filter system for the pool. We are being pushed by health inspectors to do this.

Councilman Thayer moved to approve the consent agenda. Councilman Adams seconded the motion. All Council members voted in favor of the motion. The motion carried.

PO #899	Wheeler	\$2,285.51
PO #900	Wheeler	\$1,296.00
PO #902	Scholzen	\$6,000.00
PO #903	Sky Blue Pools	\$6,000.00

Councilman Houston moved to recess from the Parowan City Council Agenda and convene the Local Building Authority business. Councilman Adams seconded the motion. All Council members voted in favor of the motion. The motion carried.

## LOCAL BUILDING AUTHORITY BUSINESS

**A RESOLUTION OF THE LOCAL BUILDING AUTHORITY OF PAROWAN CITY, UTAH, AUTHORIZING AND APPROVING AN ANNUALLY RENEWABLE LEASE AGREEMENT, BETWEEN THE AUTHORITY AND PAROWAN CITY, UTAH; AUTHORIZING THE AUTHORITY'S \$972,000 LEASE REVENUE BONDS, SERIES 2015 FOR A CITY ADMINISTRATIVE AND PUBLIC SAFETY FACILITY AND RELATED IMPROVEMENTS; AUTHORIZING A MASTER RESOLUTION, GROUND LEASE AND THE SECURITY DOCUMENTS AND OTHER DOCUMENTS REQUIRED IN CONNECTION THEREWITH; AND RELATED MATTERS. Resolution LBA 2015-02-01.**

Mr. Scott said we have explained in the past why we do a Local Building Authority and he thinks the Council is clear on this. He said there may be some in the audience that don't understand why we have to do things as a Local Building Authority and as a City. He didn't want to belabor the point, but said it can be confusing. Mayor Landes said if anyone is interested after the meeting they can see Mr. Scott and he will be happy to explain it.

Councilman Thayer asked who is responsible for having 150 pages of lease agreement. He asked if it is the attorneys or if it is just something you have to do. He said on page 11 of the Master Resolution, the pay schedules show conflicting amounts. Mr. Eric Johnson of Blaisdell, Church and Johnson (the City's bond counsel) explained that this is an interest bearing note at 1.5%. He said what you are seeing in the resolution is the principal amount to be repaid, not the full payment with interest. In the last year, you see \$40,000 with very little interest. In the first year is \$29,000 with 1.5 % interest on the entire amount of the loan, which is about a \$39,000 payment. Mr. Thayer stated he may have read the information wrong.

Mr. Johnson explained that the loan is coming to the Local Building Authority (LBA) of Parowan. The LBA, however, does not own the land on which the building will be built. So in a ground lease, Parowan City leases the land to the LBA. Once the LBA has the rights to that land, it then borrows the money, gets the grant and puts the building on top of the land. The LBA then leases the building and the land back to the City. The amount of the lease is exactly what the payment is.

Mr. Johnson explained that the reason the documentation is a little thicker than other leases is because the lease between Parowan and its LBA is because it isn't one lease for thirty years; instead it is a series of one year leases. There are 30 one-year leases. That is the way this is structured. The security for the loan is the building itself, much like a home loan.

Mr. Thayer asked what the reason for the 30 one-year leases is. Mr. Johnson said that because the City Hall isn't going to generate revenue by itself. If the debt were for more than one year, that would be considered constitutional debt and there would be a requirement for an election. By structuring it this way, there isn't a requirement for an election. Mr. Thayer express his thanks to Mr. Johnson for the clarification.

Councilman Adams moved to approve Resolution LBA 2015-02-01. Councilman Houston seconded the motion. A roll call vote was taken as follows:

	<u>Aye</u>	<u>Nay</u>	<u>Abstain</u>	<u>Absent</u>
Councilman Alan Adams	X			
Councilman Troy Houston	X			
Councilman Ben Johnson	X			
Councilman Steve Thayer	X			
Councilman Steve Weston	X			

Resolution LBA 2015-02-01 was approved.

Councilman Houston moved to recess from the Local Building Authority business and reconvene the City Council Action Meeting. Councilman Adams seconded the motion. All Council members voted in favor of the motion. The motion carried.

### **ACTION MEETING**

**A RESOLUTION OF THE CITY COUNCIL OF PAROWAN CITY, UTAH  
AUTHORIZING AN ANNUALLY RENEWABLE LEASE AGREEMENT BETWEEN  
THE CITY AND THE LOCAL BUILDING AUTHORITY OF PAROWAN CIYT, UTAH:  
AUTHORIZING THE AUTHORITY'S \$972,000 LEASE REVENUE BONDS, SERIES  
2015 FOR A CITY ADMINISTRATIVE AND PUBLIC SAFETY FACILITY AND  
RELATED IMPROVEMENTS; AUTHORIZING A MASTER RESOLUTION, GROUND  
LEASE, SECURITY DOCUMENTS, AND OTHER DOCUMENTS REQUIRED IN  
CONNECTION THEREWITH; AND RELATED MATTERS. Resolution 2015-02-01.**

Councilman Weston moved to approve Resolution 2015-02-01. Councilman Thayer seconded the motion. A roll call vote was taken as follows:

	<u>Aye</u>	<u>Nay</u>	<u>Abstain</u>	<u>Absent</u>
Councilman Alan Adams	X			
Councilman Troy Houston	X			
Councilman Ben Johnson	X			
Councilman Steve Thayer	X			
Councilman Steve Weston	X			

Resolution 2015-02-01 was approved.

**IRON COUNTY REST HOME AGREEMENT:** Mr. Scott said they have not received an agreement from the people involved. Councilman Johnson moved to table this item. Councilman Adams seconded the motion. All Council members voted in favor of tabling this item. The motion carried.

**CENTER CREEK PIPE QUANTITY CHANGE ORDER:** Mr. Scott said this is different than the bypass discussion that is the next agenda item. This change order is to get the rest of the

pipe for the penstock. Councilman Johnson said they knew they were going to be short because they bid this as a unit cost and they didn't want to pay for pipe they weren't going to use. This is for the pipe they need to finish.

Councilman Weston asked about the damaged pipe. Mr. Scott said the contractor will pay for this. Mr. Scott said we will pay for the pipe and then deduct what is owed for the pipe out of what we pay them. However, the contractor, Precision Pipeline, missed the pipe that goes under Highway 143 in their bid, and is asking the City to help them get the pipe. So in this change order of \$8,600, the actual legal obligation the City has is about \$2600. Mr. Scott said that Precision missed it, but they are asking if the City will do anything to help them out.

Councilman Johnson asked if this was clearly in the documents to begin with. Mr. Scott said that is was. Councilman Johnson said that the next company could have missed the bid by that much because they included this pipe in their bid. This gives him heartburn because, in his opinion, it comes down to responsible bidding. Mr. Scott said that with this change order, the City would pay everything up front and then deduct the difference between the \$8,600 and the \$2,600, so Precision would be on the hook for about \$6,000.

Councilman Johnson said if the documents were unclear or it was an unforeseen condition or an omission or error by the architect or engineer, then he would say this is our responsibility. Mr. Scott said that he can only say in good conscience that they just missed it.

Councilman Thayer asked how everything has looked so far on this project and if they have been on target on everything else. Mr. Scott said they absolutely have. He said he can't say anything better about this contractor than he has already told them. Mayor Landes said we've had nothing but great success with this contractor. Mr. Scott said they have done little things for the City like running conduit in front of the Power Plant to the side of their trench. They did this for the City at no extra charge. Mr. Scott said they have been very, very good to work with.

Councilman Thayer said from his perspective and being in business for so long, he doesn't think we should pay the \$8,600, but he thinks we should contribute some to let them know we appreciate them and their work. Councilman Adams suggested the City split the \$6,000 with Precision.

Councilman Thayer moved to split the \$6,000 with Precision Pipeline to show them appreciation for what they have done. Councilman Adams seconded the motion. Hearing no further discussion, the Mayor called for a vote on the motion. Councilmen Houston, Adams, Weston and Thayer voted Aye. Councilman Johnson voted Nay. The motion carried.

**CENTER CREEK BYPASS CHANGE ORDER – SUNRISE ENGINEERING:** Mayor Landes mentioned that Councilman Adams and Councilman Johnson both have a conflict of interest in this matter. Attorney Wayment said that they can still vote on this issue if they feel that their conflict doesn't affect their ability to vote. It is their call.

Mr. Scott said that they have had a series of meetings about this very issue. One was held this afternoon. Mr. Derrick Anderson from Sunrise Engineering is the Civil Engineer on the Power



Plant. Mr. Anderson drew a picture on the white board to show how the whole system works. Mr. Scott said what we are talking about is the bypass down at the very bottom. There is a 6" bypass inside the plant that if we had to move water from generating power, it would go in this 6" bypass around the plant, and we could fix things inside the plant. What happens when we do this, however, is it backs the water up and kicks the water into the creek. This is unacceptable to the farmers because it wastes their water.

Mr. Scott said that another portion of this is, besides the maintenance of the plant, there is also high water flows. This plant has been designed for 11 CFS, and when the flow is over 11 CFS, there is a sensor that goes off and would automatically open up the bypass and allow them to not only capture the water that is going down the regular penstock pipe but would go in the bypass around it as well. So the farmers would get 99.9% of their water in a pipe which, Mr. Scott says, is their ideal.

Mr. Scott said there is a down side to the City in that when the bypass is opened, we lose pressure and therefore we lose power generation. Mr. Scott said it is really hard to say how often that would happen. We have high water flows at various times. Most of our data is by the month or even by the day, if we can get it. That valve may open up for an hour and close in an hour. It may not open up for five years. We just don't know. It is very, very important to the farmers that we get this bypass, however, because of the loss of water. We as a City are debating this to see if it benefits the City and the farmers. We are partners on this project, and this is one of their key arguments is yes it might have more benefit for the farmers, but it still benefits the City and we are partners. The farmers couldn't have done this project without the City, and the City couldn't have done this without the farmers.

Councilman Johnson said that one thing he got from their earlier meeting was that this was part of the original scope of the project. This is an additive alternate that they didn't know if they could afford at the time and didn't know if it was going to move forward. It is not a change in the scope. So the farmers haven't come to the City and said by the way we are getting all of this and we would love to have this if we can do it but it is clear outside the scope of the project. This was part of the initial scope of the project as an add alternate, which to him, is very important.

Councilman Thayer said if he understands correctly there is actually enough money in the budget in the overall bid to put this in because it is coming in a little bit under bid. Mr. Scott said that is correct in that we had a contingency. Everything else was obligated but the contingency. Mr. Scott said the contingency has been used here and there, for example the change order tonight on the pipe uses part of that contingency. Mr. Scott said they do feel like the City can afford this. It is \$181,000. That is the number the Council needs to know. Mr. Scott said that it is close and he's not going to lie. It's not like we have plenty of money and we are totally fine. He thinks it will work, but it is going to be tight.

Councilman Weston said the loss of generating power was pretty small. He thought it was under 2%. Mr. Scott said yes, but he thinks the argument there is it is just so hard to know when and how. They tried to put together a scenario. Councilman Weston said that the thing he learned from their meeting today was that the City qualified and got the low interest rate loan on this

project largely because we are in partnership with the Reservoir Company. Without them, it could have been triple this percentage. Councilman Weston said just doing the math on this on a 20 year loan is about \$750,000. He said to him this is very significant. It shows more of a partnership than what may show on the surface.

Councilman Johnson said that one other thing that benefits the City that came up is, at least from his understanding, is that if we have flash floods above that area, we get a lot of dirt and debris that comes down, we can trigger this valve to activate automatically so then it bypasses all of our expensive equipment in our power plant. It will be able to help protect that.

Councilman Thayer said historically he looks at this that the farmers have been an important part of our community since its founding and personally he feels this weighs into the equation as well.

Mr. Scott said he would add one other thing that he thought was important. He said he asked Attorney Wayment this last time, but does the City have an obligation, legal or otherwise, to get the farmers their maximum amount of water. He said he knows the City is meeting its obligation to get them their water. Attorney Wayment said there isn't an obligation as far as water rights go, but there is a moral obligation with the issue of the public funds. He said if the Council can justify this, he doesn't have a problem.

Attorney Wayment said the last time they talked about this he understood that there was a bypass that would be taking water around there all the time, but it was just if the plant ever shut down. He said one of the issues that they talked about was if your plant doesn't break down for twenty years and you spend \$200,000 on a bypass that's not used for twenty years, that's really not good expenditure of your public funds. Attorney Wayment reminded the Council that they all have an obligation to their public to expend public funds wisely. If it's something different than that and there are reasons to justify it certainly then there are reasons to justify it. He said the answer is no, the City doesn't have an obligation to take water from the top and deliver it down to the bottom. Yet, at the same time, we are in the second most arid state in the United States and to waste water, in most Southern Utah people's views, is a sin next to adultery and murder. He said, in fact, wasting water could be worse than murder because people have been killed over water.

In all seriousness though, Attorney Wayment said he thinks we deliver water from the top. He doesn't know of any law that states you have to deliver water to a specific point. He said there is a huge favor in the pipe that comes down here and obviously we don't lose that seepage. Attorney Wayment said once you take water out of a creek and let it dry up, when the water hits that again it sucks it right up into the ground. If you keep the creek full of water then it seals the bottom and you don't lose the water. Once you start taking water out and it dries the bed up, you lose the water. Councilman Adams said you may not lose as much, but there is four miles down the canyon with trees and grass that absorb the water. That's why they don't want to turn the water into the creek.

Attorney Wayment said if the City can find reasons to put in the bypass valve then fine. But his expression last time was the Council has an obligation though to expend public funds to the most prudent manner.

Councilman Adams asked where the City has a non-consumptive right to the water, wouldn't there be a law that says the City couldn't restrict the flow of the water to the farmers. If the City uses the water in a non-consumptive way or restricted it or put it down the creek, it seems like that would be illegal. Attorney Wayment said with a non-consumptive right, the City can use the water but they have to return it. Councilman Houston said the only right we have to the water is to go through the turbines. Attorney Wayment said he doesn't know if there is any obligation to deliver it. He said he certainly thinks you have to deliver it back or relatively back to where it would be if you took it out, but you cannot consume that water. So if you can make an argument that the City consumed the water causing the farmers to lose water because we brought it down here. He thinks you can make the same argument if you say you may have to move the water – and he didn't know if the water jumps right back in to where the creek always was or where it would go – he said you are saving the farmers four miles of loss seepage.

Councilman Adams said what he is saying is if they were to leave it as is without the bypass valve, there would only be a 6" pipe at that point, and you can't shove the 20" through the 6", therefore the water is going to come out the top and down the creek and there will be a loss there to the farmer.

Attorney Wayment asked why they aren't making the bypass pipe a bigger pipe. Mr. Scott said for hydro-electric purposes it isn't necessary. He said we asked the engineer to design a hydro-electric plant, and that's what they did. Attorney Wayment agreed, but said it's not \$200,000 to raise your pipe from 6" to 20" for the bypass. He asked if the valve is that much more expensive for a 20" pipe.

Mr. Anderson said the bypass inside the plant is only for draining the pipe if there is some maintenance in that section. So it is just a 6" pipe for drainage. The bypass for the plant would be a larger pipe with a larger energy dissipation valve which is expensive by nature (\$90,000). There is also included some controls and a vault around the piping connections. So that is what makes the cost what it is. Attorney Wayment said we are really comparing apples to oranges. Mr. Anderson said yes, when you talk about the 6" bypass in the plant as opposed to the larger bypass that we are talking about.

Attorney Wayment asked if the 20" can absorb all of the water that comes down that creek and will very seldom over flow. Councilman Johnson said he thinks it is safe to say that it will very seldom over flow. Attorney Wayment said without the bypass, it would cause the penstock to over flow a lot or often. Councilman Johnson said yes, maybe an hour at a time or five hours at a time. Then it would shut off.

Attorney Wayment said if we are talking about water that is going to back up once every ten years, he doesn't think you can justify doing this. Councilman Adams said that it would happen almost daily. He said the valve will open almost daily. Mr. Scott said we have two different issues here – maintenance and high flows. Attorney Wayment asked if the 6" pipe can handle the high flows. Mr. Anderson said it doesn't have the function to do that.

Attorney Wayment said he didn't know that before, and he thought this was going to happen once in a blue moon. Councilman Adams said the sensor sends a message that says ok, there are



13 CFS now, open the bypass valve a little and let more water through. Councilman Johnson added that it would open enough to let 2 CFS through the bypass. Mr. Scott said that this is also a bad thing for the City because it reduces the pressure for the power generation. He said from a City's perspective, we almost hope that never happens. Let's just keep it at 11 CFS and we will be cruising right along.

Councilman Houston said at the last meeting he asked if Mr. Scott could find any history on the last 30 years. Mr. Scott said we have a lot of history, but it is mostly monthly flows. There may be a little bit of daily information. Sunrise has calculated that 10% of the days there will be high flow. Councilman Johnson added that when we are generating a lot of power that means we have surplus power that we are selling off. At the times we are generating high power is when this will drop us down a little bit. It's not at the times we are running at 250 kW in January. That's never going to cut us down at that point. He said that's why it's such a hard number to hit – even as we are selling this power, it really depends on what the market is. Is that when all the high flows come in? Is that when there is more hydro electric power in the system? Can we sell it for a cheaper rate? Are we really getting money back out of it? It becomes a very hard number to hit.

Attorney Wayment said that high flows come in the middle of the night usually when you get your least generation of power because the sun melts the snow during the day, the water hits the creek during the day, then it cools down at night. As he understands it, based on the Beaver River (which he is becoming intimately familiar with), they get their flows at the wrong times just because of the nature of things. Of course it depends on the mileage.

Councilman Johnson said one concern he does have is he sees some advantages for the City in having this bypass help protect our turbines and equipment, but it does greatly benefit the farmers. The City is taking on the responsibility of maintenance of the bypass valve. If this valve goes bad in ten years, then the City is on the hook to replace this. He would like, if they approve this change order, to have the Reservoir Company have some responsibility back in this. He said frankly, they some responsibility in this first initial go around. They are paying for 50% of the project. But when we go to replace the valve in 10 years, they are paying 0% for that and the City would be on the hook for the full amount. He thinks if they approve the change order, he would like to see some type of agreement. Mayor Landes asked if we would put a 50% requirement for the irrigation company.

Councilman Houston said after he has thought about this for a couple of weeks, he had something come to him. He said over the past 5 or 6 years, the farmers have given the City water, more water than the City had coming to them. After he thought about it more and more, the feels like over the years the City have been given more than our share of water for our own irrigation system. He doesn't know how to even that out or make it right on paper. He said he weighed it out this way because he is still having grief over whether or not it is worth it for that 1% of the time the bypass will be used. He wanted someone to convince him that it would be worth it and why. That amount of money for that valve and then the maintenance on our side is costly.

Mr. Scott said if you want to ask a farmer about it they are going to give you a for sure answer. They are very passionate about this. Councilman Houston said he is too. He is going to want some water too, and they are going to say no. He wants to know how we are going to weigh this out.

Attorney Wayment said he isn't aware of any laws that say you have to take all of your water or none at all. They take it and if they don't they leave it in the creek. At the same time, he said we are in an arid desert, and it is something to really think about. He thinks everyone has a moral obligation to utilize water to the greatest benefit. It is something we can't afford to waste. He said look at this year and where we are at.

Councilman Johnson said this comes back to the original scope of the project. It is not a scope change. He said the ideal situation would be to have this valve in if we could afford to do it with the project. We didn't want to kill the project because we couldn't afford the valve, but if we had the money to move forward with it, then ideally it was set as part of the initial scope of the project.

Councilman Houston asked if there was such a thing that instead of a valve there was a fixed orifice so that when that amount of water comes down it automatically lets that percentage go by and we aren't messing with a valve, it is already a fixed hole that allows that extra percentage to go through and there is less maintenance for everyone except for the wear and tear on the orifice. Mr. Anderson said the problem is the flow at the upstream is changing and you have to have some way to know what the flow is.

Attorney Wayment said he kept asking why they don't dig a bigger hole up top and then you can keep it at 11CFS. He would think that would have been better for the farmers and you absorb more water and then it goes down, but he said that's already been constructed. Mr. Scott said that fluctuation is bad.

Councilman Weston said he feels the Council's responsibility is to make the best use of the money for the City. As he looks at it, by partnering with the Reservoir Company the City has saved hundreds of thousands of dollars. To him, even doing this project is a winner for the City financially, by at least half a million dollars. Mayor Landes said without the Reservoir Company, we wouldn't be able to do this project.

Mayor Landes addressed the Council and said they have talked about this for a long time, and he would entertain a motion one way or another here.

Councilman Weston moved to accept the change order for the bypass valve for \$181,000. Councilman Thayer seconded the motion. Attorney Wayment asked if there was any discussion regarding maintenance in the future on this. Councilman Weston amended his motion to include 50%-50% responsibility on all repairs and replacement on the bypass valve. Councilmen Houston, Johnson, Weston and Thayer voted in favor of the motion. Councilman Adams abstained from voting. The motion carried.

**NEW CITY OFFICE DESIGN BUILD TEAM – NOTICE OF AWARD:** Mayor Landes said they have received the recommendation from the selection committee that Larry Pendleton firm was their choice to build the New City Office. It needs to be made official at this time.

Councilman Adams moved to award the New City Office Design Build Team to Larry Pendleton design team. Councilman Johnson seconded the motion. All Council members voted in favor of the motion. The motion carried.

Mrs. Bassett had to turn the recorder off to change the battery. The meeting was suspended while she did this.

## **WORK MEETING**

### **PAROWAN LDS STAKE PUBLIC RELATIONS PRESENTATION – GAIL HARRIS:**

Mrs. Gail Harris expressed her appreciation for the invitation to come and speak to the Council and the Mayor. She thanked Mr. Scott for making that possible.

Mrs. Harris and her husband Jim have been given the assignment to serve as Public Affairs Director and Assistant Public Affairs Director in July. They are still trying to determine what their responsibilities are. Public Affairs is primarily concerned with creating and maintaining positive relationships with civic leaders, community leaders, school leaders, and interfaith groups throughout the community. Mrs. Harris said they know that if we can all work together because we have a commonality of interest (which is that we like Parowan), and if we can all communicate better and work together on many of our activities, then the experience is a win for everyone.

Mrs. Harris said that her job isn't about relationships between institutions; it is about relationships between people and individuals. She said she knows that for those to work, if it is a natural respectful conversation and experience, it is very satisfying and rewarding. Mrs. Harris said she is very excited to work for Parowan in this regard.

They want to plan activities that are appropriate for all people in the community. She wanted to make a clarification. Public Affairs and Parowan Interfaith are two different jobs, with two different definitions. The Interfaith has been well defined and is working well. Public Affairs hasn't really been incorporated yet. It is still new in the development. They need and hope to work with everyone on their activities. They are currently working with the High School on some service activities.

Mrs. Harris would like to look toward the future and see what Public Affairs and Parowan City can do together in a cooperative effort in terms of planned activities and for the City to know that as a structure, the Public Affairs Council is desirous and available and wishing to work on any activities or planned events that the City feels they would be helpful on.

**TRIATHLON CITY POOL REQUEST – TAMMY HULET:** Mrs. Hulet would like to plan a sprint triathlon for the morning of July 24<sup>th</sup>. It would be a fund raiser for the Paragonah Civic

Committee. They have raised \$20,000 for their monument for the veterans in the cemetery. She is just trying to find a way to help generate another fund raiser for the Civic Committee.

She would like permission to use the Parowan Swimming Pool for this event. She has talked with Alice and Jet. She said Jet's main concern is insurance. She said Alice didn't foresee any problems. She was wondering what the cost of use would be. She is wants to know if there are any concerns or fees, or what this would entail to make it happen in July.

Mr. Scott said that he spoke with Alice (pool manager) about this. She said we would want to have life guards on duty during the event. Mr. Scott's idea is that we charge maybe what the cost of the lifeguards would be. He said we would require the insurance, and he has a web site that she can go to for event insurance. He said the City's insurance company partners with the National League of Cities and Towns and they have these tulip insurances. We would require her to do this and carry the City as a rider.

Mrs. Hulet asked about the waiver on the application for the Yankee Meadow half marathon. She asked if she could copy that and use that. The Council suggested that Mrs. Hulet get with Councilman Houston to find the information she needs as far as insurance and permits.

Councilman Johnson asked if there is a way we can donate the cost of the lifeguards to this cause. Mr. Scott said he can help her with anything she has questions about.

**GRAVEL PIT:** This lease is up for renewal. Mr. Evans has had the lease for as long as anyone can remember. He is interested in renewing. Councilman Houston thinks instead of a 5 year lease, we should shorten the lease because the time has come that we may need to use the pit for other things. Attorney Wayment said we can do a non-exclusive lease. City Staff made an argument to making this a benefit to the City. Mr. Evans keeps the channel cleaned out for the City. This is what the agreement was. Councilman Houston thinks we need to look at part of it as a detention pond if needed.

The Mayor asked Mr. Scott to work on this and we will keep it on work meeting for next time.

#### **MEMBER REPORTS:**

Councilman Houston said we should not support HB 42. He said it allows cities to annex an island. This wouldn't be good. He reported that the bike and trail plan is moving forward. Dave Miller said tourism has gone up 10% in Iron County. His thought is that we need to invest in bike, walking, equestrian trails. He said we need to move quickly on getting our trails going. Armstrong Consultants were at the last Airport board. They discussed the helicopters coming and going. They were advised that any complaints should be directed to the FAA.

Councilman Adams thanked the Council for being wise in their decision on the bypass change order. He appreciates their ability to think things through and work together with the Reservoir Company. He reported that "1776" starts a week from today.

Councilman Johnson reported that the new website is up and running. The Youth Council met. He is excited to meet with them and get them involved and take an active role in the community. Their involvement will have an impact on our community. He is excited about this.

Councilman Weston reported that Mr. Larry Hawker would like Mr. Scott to call him. He isn't interested in selling his property, but may be interested in a trade. He is willing to talk. He also reported that Kareem Lakdahri met with Mr. Scott.

Councilman Thayer asked about HB 362, the gas tax bill. Mr. Scott said that the county option is the one with the most support right now. The county would levy a .25 cent tax. They would get .15 cents, and the city would get .10 cents.

Mr. Scott reported that they are trying to buy the pipe for the well. The Water Board initially recommended 10", but the engineer has gone back to 8". Mr. Stones would like to go ahead and purchase the pipe before the prices go up. Mr. Scott wants to know if the Council is comfortable with what the engineer recommends.

Mr. Scott said that there is a closed session tonight, which we ask the public to leave for, but there is an action item after that. The public is welcome to come back for this action item.

#### **PUBLIC COMMENT & DISCUSSION –**

Mr. Dennis Gaede asked if the bypass is on the power house property. Mr. Scott answered yes.

Councilman Houston moved to go into close session. Councilman Thayer seconded the motion. All Council members voted in favor of the motion. The Council moved into closed session.

#### **CLOSED SESSION: STRATEGY SESSIONS TO DISCUSS THE PURCHASE, EXCHANGE, OR LEASE OF REAL PROPERTY:**

**MEMBERS PRESENT:** Mayor Donald G. Landes, Councilmen Alan Adams, Troy Houston, Ben Johnson, Steve Thayer, Steve Weston, City Attorney Justin Wayment, City Manager Shayne Scott, City Recorder Callie Bassett

Councilman Houston moved to come out of closed session. Councilman Adams seconded the motion.

#### **ACTION ITEM: 300 EAST PROPERTY DEED – 35 FT. FLOOD EASEMENT:**

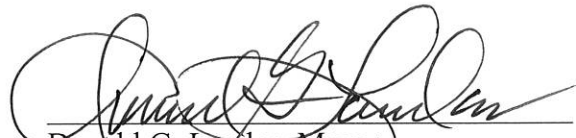
Councilman Houston said that one issue he has is that we are making a motion without documentation. Mr. Nate Thayer said they will get it redrawn and submit it before they close on the house.

Councilman Houston moved to approve the 300 East, the two lots for the so called 35 ft. flood easement that he has no record saying that's a flood easement and is just taking the word from Mr. Thayer, but it needs to be re-recorded with the proper property descriptions, and that will be a plat map, so that will have to be signed by the City Engineer and Mayor. He approves that



portion to go forward. Councilman Johnson seconded the motion. All Council members voted in favor of the motion. The motion carried.

Councilman Houston moved to adjourn the meeting. Councilman Thayer seconded the motion with all Council members voting in favor of the motion. The meeting was adjourned at 8:10 p.m.

  
Donald G. Landes, Mayor  
Callie Bassett, City Recorder